

*Steve Shackel*

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1150 CONNECTICUT AVENUE, N. W.  
WASHINGTON, D. C. 20036  
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RECORDATION NO. 11224  
DEC 21 1979 - 9 15 AM  
INTERSTATE COMMERCE COMMISSION

BANK OF THE SOUTHWEST BUILDING  
HOUSTON, TEXAS 77002  
TELEPHONE (713) 651-5151  
CABLE FULBRIGHT HOUSTON  
TELEX 76-2829

AMERICAN BANK TOWER, SUITE 1740  
221 WEST SIXTH STREET  
AUSTIN, TEXAS 78701  
TELEPHONE (512) 474-5201

52 LINCOLN'S INN FIELDS  
LONDON, WC2A 3LZ  
TELEPHONE (01) 405-3208  
TELEX 22-738

December 21, 1979

Interstate Commerce Commission  
Recordation Unit  
Room 2303  
Constitution Avenue and 12th Street, N.W.  
Washington, D.C. 20423

RECORDATION NO. 11224-A  
DEC 21 1979 - 9 15 AM  
INTERSTATE COMMERCE COMMISSION

Re: Term Loan Agreement

Dear Sir:

*Carri Newport*

Please find enclosed nine sets of the following documents  
to be filed with the Interstate Commerce Commission:

- i) Chattel Mortgage (Railroad  
Car Security Agreement)
- ii) Assignment of Leases
- iii) Assignment of Purchase Contracts

RECORDATION NO. 11224-B  
DEC 21 1979 - 9 15 AM  
INTERSTATE COMMERCE COMMISSION

These documents are being filed in connection with the  
Term Loan Agreement between Delgray Leasing and Continental  
Illinois National Bank and Trust Company of Chicago.

We appreciate your assistance in this matter.

Sincerely,

*Arthur H. Rogers (mws)*  
Arthur H. Rogers

Enclosures - 27

RECORDATION NO. 11224-A  
Filed 1425

9-355A020

DEC 21 1979 - 9 15 AM

INTERSTATE COMMERCE COMMISSION

Date DEC 21 1979  
Fee \$ 10.00

ASSIGNMENT OF LEASES

ICC Washington, D. C.

WHEREAS, DELGRAY LEASING, a Texas limited partnership (herein called the Owner), Glenco Transportation Services, Inc., a Texas corporation (herein called Glenco) acting as the agent on behalf of the Owner, and certain corporations (herein called the Lessees), have entered into the leases described on Schedule I hereto (herein called the Existing Leases) and will enter into the leases to be described in Assignment of Leases Supplements in the form of Appendix 1 hereto (herein called the Supplements) from time to time executed and delivered by the Owner pursuant hereto (herein called the Supplement Leases and together with the Existing Leases, the Leases) providing for the lease by the Owner to the Lessees of the aggregate of 52 railroad cars also described in Schedule I hereto (herein called the Cars); and

WHEREAS, the Owner has entered into a certain Chattel Mortgage (herein called the Mortgage) dated December 21, 1979 securing the various obligations of the Owner defined in the Mortgage as "indebtedness hereby secured" to the Continental Illinois National Bank and Trust Company of Chicago, a national banking association (herein called the Mortgagee), and the Owner has agreed to assign all of its right, title and interest in and to the Leases to Mortgagee as additional security for the obligations so defined in the Mortgage;

NOW, THEREFORE, for value received and upon the terms and conditions hereinafter set forth:

1. The Owner, in order to secure the payment of all obligations of the Owner defined in the Mortgage as "indebtedness hereby secured" and the performance and observance of all of its covenants and agreements in the Mortgage, in the Loan Agreement, dated as of December 26, 1979, between the Owner and the Mortgagee, and in this Assignment provided to be performed or observed by the Owner, does hereby sell, assign, transfer and set over to Mortgagee, and grants a security interest in favor of Mortgagee in, all of the right, title and interest of the Owner in and to the Leases, whether now or hereafter entered into, and all proceeds thereof, and all rights arising pursuant thereto, whether arising by oral or written agreement or otherwise, including without limitation, rentals, all rights of indemnification, and all other amounts payable by the Lessees, Glenco or any other person, firm or corporation with respect to the Cars or under the Leases, except that any amount so payable shall continue to be paid to and received

DEC 21 1979

by the Owner until and unless Mortgagee or its successors or the Owner shall notify the Lessees or any successors to their respective interests that an Event of Default has occurred under the terms and provisions of the Mortgage (as therein defined) and that the payments are thereafter to be made to Mortgagee, or its successors; and in furtherance of this Assignment and transfer, the Owner does hereby authorize and empower Mortgagee in the event of notice of a default as aforesaid, in its own name to sue for, collect, receive and enforce all payments to be made to the Owner or to Glenco by the Lessees under and in compliance on the part of the Lessees with the terms and provisions of the Leases, to exercise all of the rights of the Owner under any or all of the provisions of the Leases including, without limitation, the right to terminate, extend or renew, and in its discretion to take any action under the Leases or with respect to the Cars as the Owner could have taken thereunder if it had not assigned and transferred its rights therein, provided that nothing herein shall obligate Mortgagee to take any action under the Leases or in respect of the Cars.

2. The Owner hereby warrants and covenants that (a) on the date hereof title to the Cars which have been paid for by and delivered to Owner, or to Glenco on behalf of Owner, and the Existing Leases (subject to this Assignment, the Mortgage and the rights of the Lessees under the Leases) is vested in the Owner; (b) upon entering into a Lease, Owner shall forthwith assign such Lease and all rights therein, to the extent not herein assigned, to the Mortgagee pursuant to a Supplement; (c) at the time of assignment of each Lease, Owner will hold title to each such Lease and to each Car covered thereby, free of all liens and encumbrances whatsoever other than the Chattel Mortgage, this Assignment, the rights of Lessees under the Leases, and liens for ad valorem taxes not in default; (d) it has and will have good and lawful right to grant a security interest in the Cars and to assign the Leases as provided in the Mortgage and herein; (e) Owner shall execute and deliver a writing evidencing a Lease with regard to each Car not later than 30 days after its, Glenco's, or any other agent's receiving delivery of such Car; and (f) notwithstanding this Assignment, it will perform and comply, or cause Glenco to perform or comply, with each and all of the covenants and conditions in the Leases set forth to be complied with by the Owner or Glenco, as the case may be. At the written request of the Bank, the Owner will cause notice of this Assignment forthwith to be given to the Lessees (together with a copy of this Assignment).

3. The Owner represents and warrants that (a) the Existing Leases have been duly authorized and executed, and the Supplement Leases will be duly authorized and executed on a timely basis, by Glenco as Owner's agent, and (b) Owner authorized and ratified such execution, and (c) it covenants

that it will, from time to time, at the request of Mortgagee, make, execute and deliver all such further instruments of assignment, transfer and assurance and do such further acts and things as Mortgagee may request to give effect to the provisions hereof and to confirm the right, title and interest hereby assigned and transferred to Mortgagee or intended so to be.

4. Pursuant to the terms of the Mortgage and this Assignment, the Owner shall not without the prior consent of Mortgagee:

(a) terminate, modify or accept a surrender of, or offer or agree to any termination, modification, or surrender of, any of the Leases (except as otherwise expressly provided in the Mortgage) or allow Glenco to do so, or by affirmative act consent to the creation or existence of any security interest or other lien to secure the payment of indebtedness upon the leasehold estate of the Owner created by the Leases; or

(b) receive or collect or permit the receipt or collection of any rental payment under any of the Leases prior to the date for payment thereof provided for by such Lease or assign, transfer or hypothecate (other than to the Mortgagee under the Mortgage) any rent or other payment then due or to accrue in the future under any of the Leases in respect of the Cars; or

(c) sell, mortgage, transfer, assign or hypothecate (other than to Mortgagee under the Mortgage) its interest in the Cars or any part thereof or in any amount to be received by it from the use or disposition of the Cars.

5. Owner shall cause this Assignment (and each Supplement executed and delivered by Owner from time to time hereunder) to be duly filed and recorded with the Interstate Commerce Commission pursuant to 49 U.S.C. 11303.

6. When the Mortgagee shall have no commitment to make any loans or advances to the Owner, and upon full discharge and satisfaction of all indebtedness secured by the Mortgage, the assignment made hereby shall terminate and all estate, right, title and interest of Mortgagee in and to the Leases shall cease and revert to the Owner. Mortgagee agrees that upon termination of such commitment and satisfaction of the indebtedness as aforesaid, it will execute and deliver to the Owner a release or reassignment of its interest hereunder as the Owner may request.

IN WITNESS WHEREOF, this Assignment has been duly  
executed and delivered as of December 21, 1979.

DELGRAY LEASING

By NIRVANA UNLIMITED, INC.  
General Partner

ATTEST:

Melvin E. Poley  
Secretary

(Corporate Seal)

By Gay L. Foster  
Title: Vice President

GLENCO TRANSPORTATION SERVICES,  
INC., as Agent for Owner

ATTEST:

Melvin E. Poley  
~~Assistant~~ Secretary

(Corporate Seal)

By Gay L. Foster  
Title: Vice President

ACCEPTED AND AGREED:

CONTINENTAL ILLINOIS NATIONAL BANK  
AND TRUST COMPANY OF CHICAGO,  
as Mortgagee

ATTEST:

W. J. Bond  
Operations Officer

(Corporate Seal)

By James H. Davis  
Vice President

STATE OF ILLINOIS     )  
                                  ) SS.  
COUNTY OF C O O K     )

On this 19th day of December, 1979, before me personally appeared Gary L. Forbes and Melvin K. Pankey, to me personally known, who being by me duly sworn, say that they are, respectively, the Vice President and Secretary of NIRVANA UNLIMITED, INC., a Delaware corporation which is general partner of DELGRAY LEASING, a Texas limited partnership, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation acting as such general partner by authority of its Board of Directors; and they acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation acting as such general partner.

  
Notary Public

My Commission expires 2-13-83.

STATE OF ILLINOIS     )  
                                  ) SS.  
COUNTY OF C O O K     )

On this 19th day of December, 1979, before me personally appeared Gary L. Forbes and Melvin K. Pankey to me personally known, who being by me duly sworn, say that they are, respectively, the Vice President and Secretary of GLENCO TRANSPORTATION SERVICES, INC., a Texas corporation, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and that they acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

  
Notary Public

My Commission expires 2-13-83.

STATE OF ILLINOIS     )  
                                  ) SS.  
COUNTY OF C O O K     )

On this 19<sup>th</sup> day of December, 1979, before me personally appeared James H. Davis and William J. Lord to me personally known, who being by me duly sworn, say that they are, respectively, the Vice President and Operations Officer of CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO, a national banking association, that the seal affixed to the foregoing instrument is the corporate seal of said association, that said instrument was signed and sealed on behalf of said association by authority of its Board of Directors, and they acknowledged that the execution of the foregoing instrument was the free act and deed of said association.

Deborah A. Zimny  
Notary Public

My Commission expires 2-12-82

SCHEDULE I TO ASSIGNMENT OF LEASES, DATED DECEMBER 21, 1979  
DESCRIPTION OF LEASES AND CARS OF OWNER PLEDGED PURSUANT THERETO

<u>Lessee</u>	<u>Contract Date</u>	<u>Rider Date</u>	<u>Term of Lease</u>	<u>Car Numbers (both inclusive)</u>	<u>No. of Cars</u>	<u>Rent Per Car Per Month(1)</u>	<u>Lease No.</u>	<u>Rider No.</u>
Exxon Chemical Company U.S.A. An operating division of Exxon Chemical Company, a Division of Exxon Corporation			5 years	GLNX 34117 - 34133	17	\$630.00 +	950	# 2
Conoco, Inc.			34 months	GLNX 23118 - 23139	22	\$525.00 +	980	# 2
Exxon Chemical Company U.S.A. An operating division of Exxon Chemical Company, a Division of Exxon Corporation	9/14/79	9/14/79	36 months	GLNX 23142 - 23149	8	\$525.00 +	950	# 1
Diamond Shamrock Corporation			5 years	GLNX 405 - 409	5	\$515.00	790-II	# 1

(1) The rates marked (+) are the base monthly rental rates. The leases provide for an escalation of the rental rate for increases in the cost of the cars from a certain date. Thus the rental rate on the 34,000 gallon cars leased to Exxon Chemical Company is now known to be in excess of \$690.00 per month. The other rental rates will have similar escalations by the time the cars are delivered and put in service.



APPENDIX 1

ASSIGNMENT OF LEASES SUPPLEMENT  
NO. \_\_\_\_\_

Assignment of Leases Supplement ("this Supplement") dated as of \_\_\_\_\_, 19\_\_ from DELGRAY LEASING, a Texas limited partnership, Texas ("Owner") and GLENCO TRANSPORTATION SERVICES, INC. ("Agent") acting as agent of Owner, to CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO, a national banking association ("Bank"), having its principal office at 231 South LaSalle Street, Chicago, Illinois 60693;

W I T N E S S E T H:

Owner and Bank have executed and delivered a certain Assignment of Leases dated as of December 21, 1979 (which agreement, together with any amendments and supplements which have been made thereto, is hereinafter called the "Assignment of Leases") as security for certain obligations, including, without limitation, loans made by Bank to Owner under that certain Term Loan Agreement (and, if amended, all amendments thereto) dated as of December 26, 1979 (the "Term Loan Agreement") between Owner and Bank.

The Assignment of Leases was filed and recorded with the Interstate Commerce Commission under 49 U.S.C. 11303 of the Interstate Commerce Act on \_\_\_\_\_, 1979 as Document No. \_\_\_\_\_. The following Assignment of Leases Supplements (substantially in the form of this Supplement) were filed and recorded with the Interstate Commerce Commission as follows:

<u>Supplement</u> <u>No.</u>	<u>Date of</u> <u>Supplement</u>	<u>Date of</u> <u>ICC Filing</u>	<u>ICC</u> <u>Filing Number</u>
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Owner has assigned and granted to Bank under the Assignment of Leases a security interest in and to certain leases therein described, including the leases described in Schedule I hereto (the "Supplement Leases").

NOW, THEREFORE, in consideration of the premises, Owner does hereby agree as follows:

Owner has, in and by the Assignment of Leases, mortgaged, transferred and assigned to Bank, and granted to Bank a security interest in and to the Supplement Leases described in Schedule I annexed hereto. This Supplement evidences and confirms the subjection of such Supplement Leases to the security interest created by the Assignment of Leases and secures the punctual

payment of the indebtedness secured by the Assignment of Leases and the performance and observance by Owner of all of its agreements herein and in the Chattel Mortgage, dated December 21, 1979 from Owner to Bank, and in the Assignment of Leases and Term Loan Agreement contained. To the extent, if any, that the Assignment of Leases may not be effective in mortgaging and granting a security interest to Bank in such Supplement Leases, Owner does by this Supplement hereby mortgage, transfer, and assign to Bank, and grant unto Bank a security interest in the Supplement Leases described in Schedule I hereto, all upon the terms set forth in the Assignment of Leases.

IN WITNESS WHEREOF, this supplement has been duly extended and delivered as of \_\_\_\_\_, 19\_\_.

DELGRAY LEASING

By NIRVANA UNLIMITED, INC.  
General Partner

ATTEST:

\_\_\_\_\_  
Secretary  
(Corporate Seal)

By My L. Foster  
Title: Vice President

GLENCO TRANSPORTATION SERVICES,  
INC.

Attest:

\_\_\_\_\_  
Assistant Secretary  
(Corporate Seal)

By My L. Foster  
Title: Vice President

STATE OF ILLINOIS     )  
                              ) SS.  
COUNTY OF C O O K    )

On this \_\_\_\_\_ day of \_\_\_\_\_, 1979, before me personally appeared \_\_\_\_\_ and \_\_\_\_\_, to me personally known, who being by me duly sworn, say that they are, respectively, the Vice President and Secretary of NIRVANA UNLIMITED, INC., a Delaware corporation which is general partner of DELGRAY LEASING, a Texas limited partnership, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation acting as such general partner by authority of its Board of Directors; and they acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation acting as such general partner.

\_\_\_\_\_  
Notary Public

My Commission expires \_\_\_\_\_.

STATE OF ILLINOIS     )  
                              ) SS.  
COUNTY OF C O O K    )

On this \_\_\_\_\_ day of \_\_\_\_\_, 1979, before me personally appeared \_\_\_\_\_ and \_\_\_\_\_, to me personally known, who being by me duly sworn, say that they are, respectively, the Vice President and Secretary of GLENCO TRANSPORTATION SERVICES, INC., a Texas corporation, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and that they acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

\_\_\_\_\_  
Notary Public

My Commission expires \_\_\_\_\_.